# Second Regular Session Seventy-first General Assembly STATE OF COLORADO

# **Conference Committee**

This Unproofed and Unofficial Version Includes All Amendments Adopted in the First House, Second House, and the Conference Committee

LLS NO. 18-0477.01 Nicole Myers x4326

**SENATE BILL 18-200** 

## SENATE SPONSORSHIP

Tate and Priola, Jahn

## **HOUSE SPONSORSHIP**

Becker K. and Pabon,

#### **Senate Committees**

#### Finance Appropriations

## **House Committees**

Finance Appropriations

	A BILL FOR AN ACT				
101	CONCERNING MODIFICATIONS TO THE PUBLIC EMPLOYEES'				
102	RETIREMENT ASSOCIATION HYBRID DEFINED BENEFIT PLAN				
103	NECESSARY TO ELIMINATE WITH A HIGH PROBABILITY THE				
104	UNFUNDED LIABILITY OF THE PLAN WITHIN THE NEXT THIRTY				
105	YEARS.				

# **Bill Summary**

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

The public employees' retirement association (PERA) provides retirement and other benefits to employees of the school districts, state,

local governments, and other public entities across the state. The bill makes changes to the hybrid defined benefit plan administered by PERA with the goal of eliminating, with a high probability, the unfunded actuarial accrued liability of each of PERA's divisions and thereby reach a 100% funded ratio for each division within the next 30 years. The bill modifies benefits, increases contributions, ensures alignment of contributions, service credit, and benefits, and makes other modifications as follows:

Highest Average Salary (HAS): Currently, for a PERA member who is not in the judicial division of PERA, the member's HAS is based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year. For a PERA member who is in the judicial division of PERA, the member's HAS is based on an average of the highest annual salaries associated with 12 consecutive months of service. For all new PERA members hired on or after January 1, 2020, who are not in the judicial division, and for all existing PERA members who do not have 5 years of service credit as of January 1, 2020, who are not in the judicial division, the bill modifies the HAS calculation to be based on an average of the highest annual salaries associated with 7 periods of 12 consecutive months of service with a base year. For all new PERA members hired on or after January 1, 2020, who are in the judicial division, and for all existing PERA members in the judicial division who do not have 5 years of service credit as of January 1, 2020, the bill modifies the HAS calculation to be based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year.

**Definition of salary:** The bill modifies the definition of salary. Specifically, the bill states that amounts deducted from pay pursuant to a cafeteria plan or a qualified transportation plan are included in the definition of salary. In addition, the bill clarifies that unused sick leave converted to cash payments is included in the definition of salary and that insurance premiums paid by employers are not included in the definition of salary.

Termination of affiliation: Current law allows a political subdivision of the state that is an employer associated with PERA and that is assigned to the local government division of PERA to terminate its affiliation with PERA upon application to the PERA board. The bill specifies that any employer that ceases operations or ceases to participate in PERA for any reason is deemed to have terminated its affiliation with PERA. The bill states that any such employer is required to fully fund its share of the unfunded liability of the defined benefit plan and its share of the unfunded liability of the health care trust fund. The bill specifies that the PERA board will determine the amount of such payments and that such determinations may be appealed by the employer through the administrative review process established in the board rules. The bill

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further specifies that the employees of an employer that terminates its affiliation with PERA will become inactive members of PERA as of the date of the termination. Such members may elect to have their member contributions credited to an alternative pension plan or refunded. In the absence of such election, the member contributions will remain with PERA.

Increase in member contributions: Currently, all PERA members with the exception of state troopers contribute 8% of their salary to PERA on a monthly basis. State troopers contribute 10% of their salary to PERA on a monthly basis. On July 1, 2018, and again on January 1, 2019, the monthly member contribution to PERA will increase by .5% of salary. On July 1, 2019, and again on January 1, 2020, the monthly member contribution to PERA will increase by 1% of salary. When all increases are fully implemented, the total contribution will be 11% of salary each month for PERA members who are not state troopers and 13% each month for PERA members who are state troopers.

Increase in employer contributions: Currently, all PERA employers contribute an amount equal to a percentage of the member's salary to PERA on a monthly basis. For most employers, the monthly contribution amount is equal to 10.15% of the member's salary. For state troopers, the monthly employer contribution amount is equal to 12.85% of the member's salary and for members of the judicial division, the monthly employer contribution amount is equal to 13.66% of the member's salary. On July 1, 2018, and again on July 1, 2019, the monthly employer contribution to PERA on behalf of members will increase by 1% of salary. When both increases are fully implemented, the total contribution will be equal to 12.15% of salary each month for most PERA employers, 14.85% each month for PERA employers who employ state troopers, and 15.66% for PERA employers in the judicial division.

Automatic contribution and annual increase amount changes: The bill specifies the circumstances under which the employer contribution rate, the member contribution rate, and the annual increase percentage for retirement benefits can be adjusted so the fund remains within the target of paying off the unfunded liability within 30 years. The bill specifies that the yearly adjustments can be up to one-quarter of one percent on the annual increase percentage, one-half of one percent on the employer contribution percentage, and one-half of one percent on the employee contribution percentage. The bill places limits on how much the annual increase and contribution rates can be adjusted.

**Defined contribution supplement:** Beginning January 1, 2022, the bill requires employer contribution rates to be adjusted to include a defined contribution supplement. The defined contribution supplement for each division will be the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability, plus

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any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made. The employer contribution amounts only include contributions made on behalf of eligible employees who commence employment on or after January 1, 2020.

**Earned service credit for part-time work:** Currently, a PERA member earns a full year of service credit for 12 months of employment if the member earns a salary of 80 times federal minimum wage in each month. This applies even if the member does not work full time. In addition, a PERA member earns a full year of service credit if the member's employment pattern covers at least 8 months but less than 12 months in a year, so long as the member worked at least 8 months in the 12-month period. The bill modifies the way service credit is earned for part-time work for any PERA member who was not a member, inactive member, or retiree on or before December 31, 2019. Such members earn a full year of service credit for 12 months of employment if the member works full time or works at least 8 months but less than 12 months in a year. If the member does not work full time, the earned service credit will be determined by the ratio of part-time work to full-time work and the number of months for which contributions are remitted to the number of months required for a year of service credit.

Service retirement eligibility for new members: For PERA members who begin employment on or after January 1, 2020, the bill increases the age and service requirements for full-service retirement benefits for most divisions to age 65 with a minimum of 5 years of service or any age with a minimum of 40 years of service credit. For state troopers who begin employment on or after January 1, 2020, the bill increases the age and service requirements for full-service retirement benefits to age 55 with a minimum of 25 years of service credit or any age with a minimum of 35 years of service credit. State troopers are also eligible for full-service retirement benefits at age 65 with 5 years of service credit. For PERA members who begin employment on or after January 1, 2020, the bill also increases the age and service requirements for a reduced service retirement benefit to 55 years with a minimum of 25 years of service credit; except that, for state troopers, the bill increases the requirements to 55 years with a minimum of 20 years of service credit.

Service retirement eligibility for current members: Beginning January 1, 2020, for members, excluding state troopers, who are members, inactive members, or retirees on December 31, 2019, the age requirement to receive service retirement benefits or reduced service retirement benefits currently specified in law is the age requirement for each member plus one year for every 4 years that the member's age is less than 46 years on January 1, 2020. In no event shall the age requirement to receive service retirement benefits exceed 65 years for any member for a service retirement benefit or 60 years for any member for a reduced

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service retirement benefit.

Cost of living adjustment (COLA) for all retirees, members, and inactive members: Currently, the annual COLA for benefit recipients who began membership prior to January 1, 2007, is 2%. For the years 2018 and 2019, the bill reduces the COLA to 0%. For each year thereafter, the bill changes the COLA to 1.25%, unless it is adjusted pursuant to the automatic adjustment provisions explained above. In addition, the bill requires benefit recipients whose effective date of retirement is on or after January 1, 2011, and who have not received a COLA on or before May 1, 2018, to receive benefits for at least a 36-month period following retirement before the benefit is adjusted with the COLA.

**Defined contribution plan:** Currently, members in the state division of PERA hired on or after January 1, 2006, may choose to participate in the defined contribution plan administered by PERA rather than the defined benefit plan. A member's participant account receives the monthly employer contribution, and the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) payments are used to amortize the unfunded liability of the defined benefit plan. Beginning January 1, 2020, members of the school division, the Denver public schools division, local government division, and judicial division of PERA hired on or after that date may also choose to participate in the defined contribution plan. A new member's participant account will receive the same employer contribution as received by current members of the defined contribution plan.

Public pension legislative oversight committee: The bill creates the public pension legislative oversight committee to study and develop proposed legislation relating to the funding and benefit designs of PERA and the fire and police pension association. The committee is comprised of 4 senators appointed by the president of the senate, 6 representatives appointed by the speaker of the house of representatives, and 4 experts in the area of pensions or retirement plan designs appointed by the state treasurer. The bill specifies limitations on the number of appointees that may be from the same political party. The bill also specifies that the state treasurer's appointees are required to have significant experience and competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis and shall not be members, inactive members, or retirees of PERA or the fire and police pension association. The bill repeals the police officers' and firefighters' pension reform commission on January 1, 2019.

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<sup>1</sup> Be it enacted by the General Assembly of the State of Colorado:

1	<b>SECTION 1. Legislative declaration.</b> (1) The general assembly
2	finds and declares that:
3	(a) The general assembly bears fiduciary responsibility for the
4	association and its long-term financial sustainability;
5	(b) Providing retirement security and benefits are an important
6	value of the general assembly;
7	(c) According to its own published reports referencing the
8	governmental accounting standards board, the public employees
9	retirement association (association) is underfunded by over fifty billion
10	dollars and has a funded ratio of less than fifty percent;
11	(d) In its current financial condition, the association is at risk for
12	insolvency in the coming years should certain negative economic events
13	occur that would threaten the retirement security of retired public sector
14	workers;
15	(e) The sooner the general assembly meaningfully addresses this
16	dire situation, the more likely that the state will be able to meet its
17	obligations to provide retirement security to association participants
18	across economic cycles;
19	(f) The general assembly bears responsibility to maintain
20	retirement security by acting in the best interests of today's and
21	tomorrow's public sector employees, association beneficiaries, association
22	employers, and the taxpayers who are ultimately responsible for funding
23	the employers and thus the benefits provided to retirees;
24	(g) Colorado's credit rating was recently placed on a negative
25	outlook by the standard and poors rating agency because of the
26	association's low funded ratios as well as annual contribution rates below
27	the actuarially determined contribution rate;

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1	(h) If Colorado's pension funding ratio continues to decline or if					
2	no significant plan is adopted to improve funding of the pension program,					
3	the state's credit rating will likely be downgraded; and					
4	(i) A downgrade in the state's credit rating will affect both the					
5	state's financial position and operations by increasing the cost of					
6	accessing capital markets for both the state and the other institutions that					
7	rely on the state's credit rating.					
8	(2) The general assembly further finds and declares that the					
9	changes in this act are reasonable and necessary to serve the important					
10	public purpose of ensuring the association's long-term financial					
11	sustainability.					
12	SECTION 2. In Colorado Revised Statutes, 24-51-101, amend					
13	the introductory portion, (25)(a), (25)(b)(V), (42)(a), (42)(b), and (46);					
14	and add (25)(b)(VI) and (25)(b)(VII) as follows:					
15	<b>24-51-101. Definitions.</b> As used in this article ARTICLE 51, unless					
16	the context otherwise requires and except as otherwise defined in part 17					
17	of this article ARTICLE 51:					
18	(25) (a) "Highest average salary" means:					
19	(I)(A) For a member or inactive member who has five years					
20	OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE WHO WAS					
21	RETIRED ON DECEMBER 31, 2019, one-twelfth of the average of the					
22	highest annual salaries upon which contributions were paid, whether					
23	earned from one or more employers, that are associated with three periods					
24	of twelve consecutive months of service credit;					
25	(B) FOR A MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE					
26	FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A MEMBER					
27	WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER					

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1	31, 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL					
2	SALARIES UPON WHICH CONTRIBUTIONS WERE PAID, WHETHER EARNED					
3	FROM ONE OR MORE EMPLOYERS, THAT ARE ASSOCIATED WITH FIVE					
4	PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT;					
5	(II) For a member who does not have the requisite three years of					
6	service credit, one-twelfth of the average of the total annual salaries					
7	earned during membership upon which contributions were paid;					
8	(III) For benefits which THAT become effective on or after January					
9	1, 1982, where the individual earned less than one year of service credit					
10	after December 31, 1980, one-twelfth of the average of the highest annual					
11	salaries upon which contributions were paid which were associated with					
12	five consecutive years of service credit; or					
13	(IV) Notwithstanding any other provision of this <del>paragraph (a)</del>					
14	SUBSECTION (25)(a) to the contrary, for members of the judicial division					
15	WHO HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019,					
16	retiring on or after July 1, 1997, one-twelfth of the highest annual salary					
17	upon which contributions were paid for twelve consecutive months; OR					
18	(V) NOTWITHSTANDING ANY OTHER PROVISION OF THIS					
19	SUBSECTION (25)(a) TO THE CONTRARY, FOR MEMBERS OF THE JUDICIAL					
20	DIVISION WHO DO NOT HAVE FIVE YEARS OF SERVICE CREDIT ON					
21	DECEMBER 31, 2019, OR FOR MEMBERS OF THE JUDICIAL DIVISION WHO					
22	WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31,					
23	2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL SALARIES					
24	UPON WHICH CONTRIBUTIONS WERE PAID THAT ARE ASSOCIATED WITH					
25	THREE PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT.					
26	(b) (V) Notwithstanding any other provision of this paragraph (b)					
27	SUBSECTION (25)(b), in calculating highest average salary for a member					

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or inactive member not eligible for service or reduced service retirement on January 1, 2011, AND WHO WAS A MEMBER OR INACTIVE MEMBER WITH FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE ON DECEMBER 31, 2019, the association shall determine the highest annual salaries associated with four periods of twelve consecutive months of service credit. The lowest of such annual salaries shall be the base salary. The first annual salary to be used in the highest average salary calculation shall be the actual salary reported up to one hundred eight percent of the base salary. The second annual salary to be used in the highest average salary calculation shall be the actual salary reported up to one hundred eight percent of the first annual salary used in the highest average salary calculation. The third annual salary to be used in the highest average salary calculation shall be the actual salary reported up to one hundred eight percent of the second annual salary used in the highest average salary calculation. This subparagraph (V) SUBSECTION (25)(b)(V) shall not apply to members of the judicial division, except for DPS members of the judicial division who have exercised portability pursuant to section 24-51-1747 and selected the Denver public schools benefit structure. This subparagraph (V) SUBSECTION (25)(b)(V) shall apply to DPS members in accordance with section 24-51-1702 (17). (VI) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (25)(b), IN CALCULATING HIGHEST AVERAGE SALARY FOR A MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2019, THE ASSOCIATION SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH SIX

PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE

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1	LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE
2	FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY
3	CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE
4	HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL
5	SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION
6	SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT
7	PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE
8	SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE
9	HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY
10	REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL
11	SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE
12	FOURTH ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY
13	CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE
14	HUNDRED EIGHT PERCENT OF THE THIRD ANNUAL SALARY USED IN THE
15	HIGHEST AVERAGE SALARY CALCULATION. THE FIFTH ANNUAL SALARY TO
16	BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE
17	ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE
18	FOURTH ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY
19	CALCULATION. THIS SUBSECTION (25)(b)(VI) DOES NOT APPLY TO
20	MEMBERS OF THE JUDICIAL DIVISION, EXCEPT FOR DPS MEMBERS OF THE
21	JUDICIAL DIVISION WHO HAVE EXERCISED PORTABILITY PURSUANT TO
22	Section 24-51-1747 and selected the DPS benefit structure. This
23	$\hbox{subsection}(25)(b)(VI)\hbox{applies to DPS members in accordance with}$
24	SECTION 24-51-1702 (17).
25	(VII) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
26	SUBSECTION (25)(b), FOR MEMBERS OF THE JUDICIAL DIVISION WHO DO
27	NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31,2019, OR FOR

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MEMBERS OF THE JUDICIAL DIVISION WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, THE ASSOCIATION SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH FOUR PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. (42) (a) (I) "Salary" means, FOR MEMBERS WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, compensation for services rendered to an employer and includes: Regular salary or pay; any pay for administrative, sabbatical, annual, sick, vacation, or personal leave AND COMPENSATION FOR UNUSED LEAVE CONVERTED TO CASH PAYMENTS; pay for compensatory time or holidays; payments by an employer from grants; amounts deducted from pay pursuant to tax-sheltered savings or retirement programs; amounts deducted from pay for a health savings account as defined in 26 U.S.C. sec. 223, as amended, or any other type of retirement health savings account program; performance or merit payments, if approved by the

board; special pay for work-related injuries paid by the employer prior to

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termination of membership; and retroactive salary payments pursuant to court orders, arbitration awards, or litigation and grievance settlements.

(b) (II) For members who were members, inactive members, or retirees of the association on June 30, 2019, "salary" does not include: Commissions; compensation for unused sick leave converted at any time to cash payments; compensation for unused sick, annual, vacation, administrative, or other accumulated paid leave contributed to a health savings account as defined in 26 U.S.C. sec. 223, as amended, or a retirement health savings program; housing allowances; uniform allowances; automobile usage; insurance premiums; dependent care assistance; reimbursement for expenses incurred; tuition or any other fringe benefits, regardless of federal taxation; bonuses for services not actually rendered, including, but not limited to, early retirement inducements, Christmas bonuses, cash awards, honorariums and severance pay, damages, except for retroactive salary payments paid pursuant to court orders or arbitration awards or litigation and grievance settlements, or payments beyond the date of a member's death.

(b) (I) "Salary" means, for members who were not members, inactive members, or retirees of the association on June 30, 2019, compensation for services rendered to an employer and includes: Regular salary or pay; any pay for administrative, sabbatical, annual, sick, vacation, or personal leave and compensation for unused leave converted to cash payments; pay for compensatory time or holidays; payments by an employer from grants; amounts deducted from pay pursuant to tax-sheltered savings or retirement programs; amounts deducted from pay for a health savings account as defined in 26

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1 U.S.C. SEC. 223, AS AMENDED, OR ANY OTHER TYPE OF RETIREMENT 2 HEALTH SAVINGS ACCOUNT PROGRAM; AMOUNTS DEDUCTED FROM PAY 3 PURSUANT TO A CAFETERIA PLAN AS DEFINED IN 26 U.S.C. SEC. 125, AS 4 AMENDED; A QUALIFIED TRANSPORTATION FRINGE BENEFIT PLAN AS 5 DEFINED IN 26 U.S.C. SEC. 132, AS AMENDED; PERFORMANCE OR MERIT 6 PAYMENTS, IF APPROVED BY THE BOARD; SPECIAL PAY FOR WORK-RELATED 7 INJURIES PAID BY THE EMPLOYER PRIOR TO TERMINATION OF MEMBERSHIP; 8 AND RETROACTIVE SALARY PAYMENTS PURSUANT TO COURT ORDERS, 9 ARBITRATION AWARDS, OR LITIGATION AND GRIEVANCE SETTLEMENTS. 10 (II) FOR MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, 11 OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "SALARY" DOES NOT 12 INCLUDE: COMMISSIONS; COMPENSATION FOR UNUSED SICK, ANNUAL, 13 VACATION, ADMINISTRATIVE, OR OTHER ACCUMULATED PAID LEAVE 14 CONTRIBUTED TO A HEALTH SAVINGS ACCOUNT AS DEFINED IN 26 U.S.C. 15 SEC. 223, AS AMENDED, OR A RETIREMENT HEALTH SAVINGS PROGRAM; 16 HOUSING ALLOWANCES; UNIFORM ALLOWANCES; AUTOMOBILE USAGE; 17 INSURANCE PREMIUMS PAID BY EMPLOYERS; REIMBURSEMENT FOR 18 EXPENSES INCURRED; TUITION OR ANY OTHER FRINGE BENEFITS, 19 REGARDLESS OF FEDERAL TAXATION; BONUSES FOR SERVICES NOT 20 ACTUALLY RENDERED, INCLUDING, BUT NOT LIMITED TO, EARLY 21 RETIREMENT INDUCEMENTS, CHRISTMAS BONUSES, CASH AWARDS, 22 HONORARIUMS AND SEVERANCE PAY, DAMAGES, EXCEPT FOR 23 RETROACTIVE SALARY PAYMENTS PAID PURSUANT TO COURT ORDERS OR 24 ARBITRATION AWARDS OR LITIGATION AND GRIEVANCE SETTLEMENTS, OR 25 PAYMENTS BEYOND THE DATE OF A MEMBER'S DEATH. 26 (46) "State trooper" means an employee of the Colorado state 27 patrol, Colorado bureau of investigation, or successors to these agencies,

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1	who is vested with the powers of peace officers as provided for in section
2	24-33.5-409. In addition, for members who were not members,
3	INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, "STATE
4	TROOPER" INCLUDES A COUNTY SHERIFF, UNDERSHERIFF, DEPUTY SHERIFF,
5	NONCERTIFIED DEPUTY SHERIFF, OR DETENTION OFFICER HIRED BY A
6	LOCAL GOVERNMENT DIVISION EMPLOYER ON OR AFTER JANUARY 1,2020,
7	AND A CORRECTIONS OFFICER CLASSIFIED AS I THROUGH IV HIRED BY A
8	STATE DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020.
9	SECTION 3. In Colorado Revised Statutes, 24-51-204, add (7.5)
10	as follows:
11	<b>24-51-204. Duties of the board.</b> (7.5) (a) The board or its
12	DESIGNATED AGENT SHALL PERFORM AN ANNUAL SENSITIVITY ANALYSIS
13	TO DETERMINE WHEN, FROM AN ACTUARIAL PERSPECTIVE, MODEL
14	ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING SUSTAINABILITY.
15	IN FURTHERANCE OF MAKING THIS DETERMINATION, THE BOARD OR ITS
16	DESIGNATED AGENT SHALL EXAMINE THE DATA THAT THE ASSOCIATION
17	CURRENTLY COLLECTS. THE BOARD OR ITS DESIGNATED AGENT SHALL
18	DELIVER AN ANNUAL REPORT DETAILING THE FINDINGS OF THE ANALYSIS
19	TO THE OFFICE OF THE GOVERNOR, THE JOINT BUDGET COMMITTEE, THE
20	LEGISLATIVE AUDIT COMMITTEE, AND THE FINANCE COMMITTEES OF THE
21	SENATE AND THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR
22	COMMITTEES.
23	(b) For purposes of the analysis required by subsection
24	(7.5)(a) of this section, the association shall provide access to
25	OFFICIAL MEMBER INFORMATION AND DATA UNDER A CONFIDENTIALITY
26	AGREEMENT WITH ITS DESIGNATED AGENT, IF APPLICABLE.
27	SECTION 4. In Colorado Revised Statutes, 24-51-213, amend

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1	(3) as follows:					
2	<b>24-51-213.</b> Confidentiality. (3) Information regarding real estate,					
3	private equity, private debt, timber, and mortgage investments by the					
4	association may be kept confidential until the transaction is completed if					
5	it is determined by the board that disclosure of such information would					
6	jeopardize the value of the investment; EXCEPT THAT THE ASSOCIATION					
7	MAY DISCLOSE SUCH INFORMATION TO LEGISLATIVE MEMBERS OF THE					
8	PENSION REVIEW COMMISSION CREATED IN ARTICLE $51.1\text{OF}$ This title $24$					
9	WHILE THE COMMISSION IS MEETING IN EXECUTIVE SESSION. IF THE					
10	ASSOCIATION CANNOT DISCLOSE SUCH INFORMATION WITHOUT VIOLATING					
11	CONFIDENTIALITY PROVISIONS, THEN THE ASSOCIATION SHALL PROVIDE					
12	ENOUGH INFORMATION TO THE LEGISLATIVE MEMBERS OF THE					
13	COMMISSION, WHILE THE COMMISSION IS MEETING IN EXECUTIVE SESSION,					
14	TO INFORM THE LEGISLATORS REGARDING WHETHER SUCH INVESTMENTS					
15	CONTINUE TO BE IN THE PUBLIC INTEREST.					
16	<b>SECTION 5.</b> In Colorado Revised Statutes, <b>add</b> 24-51-221 as					
17	follows:					
18	24-51-221. Information provided to employer - salary					
19	definition. An employer may request information from the					
20	ASSOCIATION TO DETERMINE WHETHER TO USE "SALARY" AS DEFINED IN					
21	SECTION 24-51-101 (42)(a) OR AS DEFINED IN SECTION 24-51-101 (42)(b),					
22	WHEN THE EMPLOYER HIRES AN EMPLOYEE WHO IS A CURRENT MEMBER OR					
23	RETIREE OF THE ASSOCIATION. THE ASSOCIATION SHALL PROVIDE SUCH					
24	INFORMATION TO THE EMPLOYER UPON REQUEST.					
25	SECTION 6. In Colorado Revised Statutes, 24-51-313, amend					
26	(1) as follows:					
27	24-51-313. Termination of affiliation - employer assigned to					

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1	local government division - requirements. (1) Any political					
2	subdivision within the state of Colorado or any public agency created by					
3	such a political subdivision that is an employer affiliated with the					
4	association pursuant to the provisions of section 24-51-309 and that is					
5	assigned to the local government division may make application to the					
6	board to terminate the affiliation of the employer with the association.					
7	The application shall be made by submitting to the board an ordinance or					
8	resolution that has been adopted by the governing body of the employer					
9	and that has been approved by at least sixty-five percent of the employees					
10	of the employer who are members. Such employee members of the					
11	employer shall be notified in writing of the provisions of section					
12	24-51-321 prior to a vote on an ordinance or resolution to terminate the					
13	affiliation of the employer with the association. NOTWITHSTANDING THE					
14	PROVISIONS OF THIS SUBSECTION (1), ANY SUCH EMPLOYER THAT CEASES					
15	OPERATIONS OR CEASES TO PARTICIPATE IN THE ASSOCIATION FOR ANY					
16	REASON SHALL BE DEEMED TO HAVE TERMINATED ITS AFFILIATION WITH					
17	THE ASSOCIATION AND MUST COMPLY WITH THE PROVISIONS OF SECTIONS					
18	24-51-315 THROUGH 24-51-319.					
19	SECTION 7. In Colorado Revised Statutes, 24-51-315, amend					
20	(1) and (2); and <b>add</b> (5) and (6) as follows:					
21	24-51-315. Termination of affiliation - reserves requirement.					
22	(1) The board shall has the authority to determine the amount of					
23	reserves required as of the effective date of termination of affiliation to:					
24	(a) Maintain current benefits payable by the association to benefit					
25	recipients and to preserve the vested rights of inactive members; The					
26	amount of reserves shall be determined by the board utilizing certified					
27	actuarial reports prepared by the actuary. The actuarial report shall also					

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certify that the termination of affiliation shall not have an adverse financial impact on the actuarial soundness of the local government division trust fund. If the actuary determines, in accordance with accepted actuarial principles, that the termination of affiliation shall have an adverse financial impact on the actuarial soundness of the local government division trust fund, the applicant shall not be permitted to terminate affiliation. AND

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- (b) Fully fund the liability for benefits payable by the association from the health care trust fund created by section 24-51-1201(1) to current and future benefit recipients pursuant to part 12 of this article 51.
- (2) THE AMOUNT OF RESERVES REQUIRED UNDER SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION SHALL BE DETERMINED BY THE BOARD UTILIZING CERTIFIED ACTUARIAL REPORTS PREPARED BY THE ACTUARY. THE ACTUARIAL STUDY SHALL BE CONDUCTED USING ASSUMPTIONS APPROVED BY THE BOARD. THE ACTUARIAL REPORT SHALL ALSO CERTIFY THAT THE TERMINATION OF AFFILIATION SHALL NOT HAVE AN ADVERSE FINANCIAL IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL GOVERNMENT DIVISION TRUST FUND. IF THE ACTUARY DETERMINES, IN ACCORDANCE WITH ACCEPTED ACTUARIAL PRINCIPLES, THAT THE TERMINATION OF AFFILIATION SHALL HAVE AN ADVERSE FINANCIAL IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL GOVERNMENT DIVISION TRUST FUND, THE APPLICANT SHALL NOT BE PERMITTED TO TERMINATE AFFILIATION. On the effective date of termination of affiliation, the actuarial reports prepared pursuant to the provisions of subsection (1) of this section THIS SUBSECTION (2) shall be updated to finalize the amount of reserves required for the purposes specified in

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1	subsection (1) of this section THIS SUBSECTION (2). The employer making						
2	the application and the employees of such employer who are members						
3	shall not be required to make any contributions to the association						
4	subsequent to the effective date of termination.						
5	(5) THE DISCOUNT RATE USED FOR DETERMINING THE AMOUNT OF						
6	RESERVES IN SUBSECTION (1) OF THIS SECTION SHALL BE THE ACTUARIAL						
7	INVESTMENT ASSUMPTION RATE AS SET BY THE BOARD PURSUANT TO						
8	SECTIONS 24-51-101 (2) AND 24-51-204 (5) MINUS TWO HUNDRED BASIS						
9	POINTS.						
10	(6) DETERMINATIONS MADE BY THE BOARD IN THIS SECTION AND						
11	SECTIONS 24-51-313 AND 24-51-316, SHALL BE APPEALED THROUGH THE						
12	ADMINISTRATIVE REVIEW PROCEDURES SET FORTH IN THE BOARD RULES.						
13	SUCH FINAL DECISION BY THE BOARD SHALL BE SUBJECT ONLY TO REVIEW						
14	BY PROPER COURT ACTION.						
15	SECTION 8. In Colorado Revised Statutes, amend 24-51-316 as						
16	follows:						
17	24-51-316. Inadequate reserves - excess reserves -						
18	<b>nonpayment.</b> (1) (a) In the event that the amount of the reserves required						
19	pursuant to the provisions of section 24-51-315 SECTION 24-51-315 (1)(a),						
20	exceeds the amount of the employer's share of the employer contribution						
21	reserve in the local government division trust fund as calculated by the						
22	actuary, then the employer shall make an additional payment as of the						
23	effective date of termination of affiliation in an amount equal to the						
24	difference between the amount of reserves required and the amount of						
25	reserves on deposit.						
26	(b) In the event that the reserves required pursuant to						

SECTION 24-51-315 (1)(b) For the health care trust fund created

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- 1 BY SECTION 24-51-1201 (1) EXCEEDS THE MARKET VALUE OF ASSETS
- 2 ATTRIBUTABLE TO THE EMPLOYER IN THE HEALTH CARE TRUST FUND, THE
- 3 EMPLOYER SHALL MAKE AN ADDITIONAL PAYMENT AS OF THE EFFECTIVE
- 4 DATE OF TERMINATION OF AFFILIATION IN AN AMOUNT EQUAL TO THE
- 5 DIFFERENCE BETWEEN THE AMOUNT OF RESERVES REQUIRED AND THE
- 6 AMOUNT OF RESERVES ON DEPOSIT.
- 7 (c) If the actuary determines, in accordance with
- 8 ACCEPTED ACTUARIAL PRINCIPLES, THAT THE TERMINATION OF
- 9 AFFILIATION OF THE EMPLOYER SHALL HAVE AN ADVERSE FINANCIAL
- 10 IMPACT ON THE FUNDING OF THE HEALTH CARE TRUST FUND CREATED BY
- 11 SECTION 24-51-1201 (1), THE EMPLOYER SHALL MAKE ANY ADDITIONAL
- 12 PAYMENT NECESSARY TO ENSURE THAT THE IMPACT ON THE FUNDING OF
- 13 THE HEALTH CARE TRUST FUND REMAINS UNCHANGED UPON THE
- 14 EMPLOYER'S TERMINATION OF AFFILIATION.
- 15 (2) In the event that the amount of the reserves on deposit in the
- local government division trust fund as calculated by the actuary for the
- employer requesting termination of affiliation exceeds the amount of
- reserves required pursuant to the provisions of section 24-51-315 SECTION
- 19 24-51-315 (1), such excess amount and the amount required for the
- transfer of member contributions as provided in section 24-51-317 shall
- be transferred by a direct trustee-to-trustee transfer to the alternate
- pension plan or system required by section 24-51-319 as of the effective
- 23 date of termination of affiliation.
- 24 (3) If any payment required pursuant to the provisions of
- subsection (1) or (2) of this section is not made, interest shall be assessed
- on the amount due at the rate specified for employers in section
- 27 24-51-101 (28). Interest shall be calculated from the effective

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1	DATE OF TERMINATION until such amount is paid in full.					
2	SECTION 9. In Colorado Revised Statutes, amend 24-51-317 as					
3	follows:					
4	24-51-317. Termination of affiliation - member contributions.					
5	(1) Members who have less than five years of service credit and are					
6	employees of an employer which THAT has terminated its affiliation with					
7	the association shall become inactive members as of the effective					
8	DATE OF TERMINATION OF AFFILIATION. SUCH MEMBERS MAY ELECT TO					
9	have their member contributions credited to the alternative pension plan					
10	or system required by section 24-51-319. In the absence of such an					
11	ELECTION, MEMBER CONTRIBUTIONS WILL REMAIN WITH THE ASSOCIATION					
12	UNLESS THE MEMBER OTHERWISE ELECTS TO REFUND SUCH					
13	CONTRIBUTIONS IN ACCORDANCE WITH SECTION 24-51-405.					
14	(2) Members who have five or more years of service credit and are					
15	employees of an employer which has terminated its affiliation with the					
16	association may elect that their accounts remain with the association by					
17	giving written notice to the association prior to the effective date of					
18	termination of affiliation. Members who make such an election shall					
19	become inactive members entitled to vested benefits as of the effective					
20	date of termination of affiliation. Members who do not make such an					
21	election shall have their member contributions credited to the alternative					
22	pension plan or system required by section 24-51-319.					
23	SECTION 10. In Colorado Revised Statutes, amend 24-51-319					
24	as follows:					
25	24-51-319. Retirement plan - creation and use. An employer					
26	which THAT terminates its affiliation with the association shall utilize an					
27	existing, or shall establish an alternative, pension plan or system					

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1	established pursuant to the provisions of article 54 of this title TITLE 24.					
2	FAILURE TO UTILIZE OR ESTABLISH AN ALTERNATIVE PENSION PLAN OR					
3	SYSTEM DOES NOT EXCUSE THE EMPLOYER FROM THE ADHERENCE TO THE					
4	REMAINDER OF THE TERMINATION OF AFFILIATION PROVISIONS OF THIS					
5	PART 3.					
6	SECTION 11. In Colorado Revised Statutes, 24-51-401, amend					
7	(1.7)(a); and <b>repeal</b> (1.7)(f) as follows:					
8	<b>24-51-401. Employer and member contributions.</b> (1.7) (a) (I)					
9	Employers shall deliver a contribution report and the full amount of					
10	employer contributions, member contributions, and working retiree					
11	contributions to the association within five days after the date members					
12	and retirees	are paid. Except as	s provided in <del>parag</del>	graph (f) of this		
13	subsection (1.7) THIS SUBSECTION (1.7)(a), subsection (7) of this section,					
14	and section 24-51-408.5, such contributions shall be based upon the rates					
15	for the appropriate division as set forth in the following table multiplied					
16	by the salary, as defined in section 24-51-101 (42), paid to members and					
17	retirees for th	ne payroll period:				
18		TA	BLE A			
19		CONTRIBU	UTION RATES			
20	Division	Membership	<b>Employer Rate</b>	<b>Member Rate</b>		
21	State	All Members	10.15%	8.0%		
22		Except				
23		State Troopers	12.85%	10.0%		
24	School	All Members	10.15%	8.0%		
25	Local					
26	Government	All Members	10.0%	8.0%		
27	Judicial	All Members	13.66%	8.0%		

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1	DPS	All Members	10.15%	8.0%		
2	(II) Effective July 1,2019, subject to section 24-51-413, the					
3	EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON THE					
4	RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING					
5	TABLE MULT	IPLIED BY THE SALAR	Y, AS DEFINED IN SEC	CTION 24-51-101		
6	(42), PAID TO	MEMBERS AND RETIR	EES FOR THE PAYROL	L PERIOD:		
7		TA	BLE B			
8		CONTRIBU	JTION RATES			
9	DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE		
10	STATE	ALL MEMBERS	10.4%	8.75%		
11	EXCEPT					
12		STATE TROOPERS	13.1%	10.75%		
13	SCHOOL	ALL MEMBERS	10.4%	8.75%		
14	LOCAL					
15	GOVERNMEN	T ALL MEMBERS	10.0%	8.75%		
16	Judicial	ALL MEMBERS	13.91%	8.75%		
17	DPS	ALL MEMBERS	10.4%	8.75%		
18	(III) E	EFFECTIVE JULY 1,202	0, SUBJECT TO SECTION	N 24-51-413, THE		
19	EMPLOYER AN	ND MEMBER CONTRIBU	TION RATES SHALL BE	BASED UPON THE		
20	RATES FOR TH	HE APPROPRIATE DIVIS	SION AS SET FORTH IN	THE FOLLOWING		
21	TABLE MULTI	PLIED BY THE SALAR	Y, AS DEFINED IN SEC	CTION 24-51-101		
22	(42), PAID TO MEMBERS AND RETIREES FOR THE PAYROLL PERIOD:					
23	TABLE C					
24	CONTRIBUTION RATES					
25	DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE		
26	STATE	ALL MEMBERS	10.4%	9.5%		
27		Ехсерт				

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1		STATE TROOPERS	13.1%	11.5%
2	SCHOOL	ALL MEMBERS	10.4%	9.5%
3	Local			
4	GOVERNMEN	NT ALL MEMBERS	10.0%	9.5%
5	Judicial	ALL MEMBERS	13.91%	9.5%
6	DPS	ALL MEMBERS	10.4%	9.5%
7	(IV)	Effective July 1,20	21, SUBJECT TO SECTIO	ON 24-51-413, THE
8	EMPLOYER A	ND MEMBER CONTRIB	UTION RATES SHALL BI	E BASED UPON THE
9	RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING			
10	TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION 24-51-101			
11	(42), PAID TO	D MEMBERS AND RETU	REES FOR THE PAYRO	LL PERIOD:
12	TABLE D			
13	CONTRIBUTION RATES			
14	Division	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE
15	STATE	ALL MEMBERS	10.4%	10.0%
16		Ехсерт		
17		STATE TROOPERS	13.1%	12.0%
18	SCHOOL	ALL MEMBERS	10.4%	10.0%
19	Local			
20	GOVERNMENT ALL MEMBERS 10.0% 10.0%		10.0%	
21	Judicial	ALL MEMBERS	13.91%	10.0%
22	DPS	ALL MEMBERS	10.4%	10.0%
23				
24	(f) (I) For the 2010-11 and 2011-12 state fiscal years, except as			l years, except as
25	provided in subsection (7) of this section and section 24-51-408.5, the			
26	amount of employer and member contributions for employers and			
27	members in the state and judicial divisions of the association shall be			

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1	based upon the rates for the appropriate division as set forth in the			
2	following table multiplied by the salary, as defined in section 24-51-101			
3	(42), paid to members and retirees for the payroll period:			<del>lod:</del>
4		TA	BLE A.5	
5		CONTRIB	BUTION RATES	
6	<b>Division</b>	<b>Membership</b>	<b>Employer Rate</b>	<b>Member Rate</b>
7	State	All Members	<del>7.65%</del>	<del>10.5%</del>
8		Except		
9		State Troopers	<del>10.35%</del>	<del>12.5%</del>
10	<del>Judicial</del>	All Members	<del>11.16%</del>	<del>10.5%</del>
11	(II) For the 2010-11 and 2011-12 state fiscal years, the employer			
12	and member contribution rates for employers and members in the school,			
13	local government, and Denver public schools divisions of the association			
14	shall be calculated pursuant to paragraph (a) of this subsection (1.7).			
15	SECTION 12. In Colorado Revised Statutes, add 24-51-413,			
16	24-51-414, and 24-51-415 as follows:			
17	24-51-413. Contribution and annual increase amount changes			
18	- definitions. (1) As used in this section, unless the context			
19	OTHERWISE REQUIRES:			
20	(a)	"BLENDED TOTAL	CONTRIBUTION AMOU	UNT" MEANS THE
21	WEIGHTED AVERAGE OF THE TOTAL AMOUNTS PAID BY THE EMPLOYER AND			
22	THE MEMBER TO THE ASSOCIATION FOR EACH OF THE FIVE DIVISIONS			
23	PURSUANT TO SECTIONS 24-51-401 (1.7) AND 24-51-411, AND THE			
24	AMOUNT THE ASSOCIATION RECEIVES PURSUANT TO SECTION 24-51-414,			
25	BUT SHALL	BUT SHALL NOT INCLUDE THE PORTION OF THE EMPLOYER CONTRIBUTION		ER CONTRIBUTION
26	REMITTED 7	REMITTED TO THE HEALTH CARE TRUST FUND PURSUANT TO SECTION		UANT TO SECTION
27	24-51-208	(1)(f) AND $(1)(f.5)$	AND THE PORTION O	F THE EMPLOYER

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1	CONTRIBUTION REMITTED TO THE ANNUAL INCREASE RESERVE.
2	(b) "Blended total required contribution" means the
3	WEIGHTED AVERAGE OF THE TOTAL OF THE ASSOCIATION'S REPORTED
4	ACTUARIALLY DETERMINED CONTRIBUTION RATES AND MEMBER
5	CONTRIBUTION RATES OF THE FIVE DIVISION TRUST FUNDS.
6	(c) "WEIGHTED AVERAGE" MEANS THE PROPORTION OF UNFUNDED
7	ACTUARIAL ACCRUED LIABILITY ATTRIBUTABLE TO EACH DIVISION
8	REPORTED AS OF THE MOST RECENT VALUATION DATE.
9	(2) Beginning July 1, 2019, and each July 1 thereafter,
10	EMPLOYER CONTRIBUTION RATES, MEMBER CONTRIBUTION RATES,
11	ANNUAL INCREASE AMOUNTS, AND THE DIRECT DISTRIBUTION AMOUNT
12	SHALL REMAIN UNCHANGED UNTIL SUCH TIME AS CHANGES ARE REQUIRED
13	PURSUANT TO THIS SECTION.
14	(3) When the blended total contribution amount is less
15	THAN NINETY-EIGHT PERCENT OF THE BLENDED TOTAL REQUIRED
16	CONTRIBUTION, THE FOLLOWING ADJUSTMENT SHALL OCCUR:
17	(a) THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT
18	TO SECTIONS 24-51-1002 AND 24-51-1009 (4)(a) SHALL BE REDUCED BY
19	UP TO ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL
20	INCREASE PERCENTAGE BE REDUCED TO EQUAL LESS THAN ONE-HALF OF
21	ONE PERCENT, EXCEPT AS PROVIDED IN SECTIONS 24-51-1002 (1.5) AND
22	24-51-1009 (1.5);
23	(b) The employer contribution rate will be increased by up
24	TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER
25	CONTRIBUTION RATE BE INCREASED TO EXCEED THE EMPLOYER
26	CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(II), PLUS TWO
27	PERCENT;

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1	(c) THE MEMBER CONTRIBUTION RATE WILL BE INCREASED BY UP
2	TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER
3	CONTRIBUTION RATE BE INCREASED TO EXCEED THE MEMBER
4	Contribution rates under section 24-51-401 (1.7)(a)(IV), plus two
5	PERCENT; AND
6	(d) The amount of the direct distribution pursuant to
7	SECTION 24-51-414, WILL BE INCREASED BY UP TO TWENTY MILLION
8	DOLLARS, BUT AT NO TIME WILL THE AMOUNT OF THE DIRECT
9	DISTRIBUTION EXCEED TWO HUNDRED TWENTY-FIVE MILLION DOLLARS IN
10	A FISCAL YEAR.
11	(4) The adjustment in subsection (3) of this section shall
12	BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED
13	AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS,
14	THE MEMBER CONTRIBUTIONS, AND, IF APPLICABLE, THE DIRECT
15	DISTRIBUTION AMOUNT, AND SHALL BE THE MAXIMUM YEARLY
16	ADJUSTMENT ALLOWED UNLESS AN ADJUSTMENT LESS THAN THE
17	MAXIMUM ADJUSTMENT IS SUFFICIENT TO BRING THE BLENDED TOTAL
18	CONTRIBUTION AMOUNT TO ONE HUNDRED AND THREE PERCENT OF THE
19	BLENDED TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY
20	ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO
21	EXCEED ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL
22	REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY
23	CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY
24	Amounts indicated in subsections $(3)(a)$ , $(3)(b)$ , $(3)(c)$ , and $(3)(d)$ of
25	THIS SECTION.
26	(5) IN THE EVENT ANY ONE OF THE FOUR COMPONENT PARTS OF
27	THE ADJUSTMENT AS OUTLINED IN SUBSECTION (3) OF THIS SECTION HAS

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1	REACHED ITS TOTAL MAXIMUM, THEN NO FURTHER ADJUSTMENT SHALL BE
2	MADE TO THAT COMPONENT. ONLY THE ADJUSTMENTS TO THE OTHER
3	THREE COMPONENTS SHALL CONTINUE AS SPECIFIED IN SUBSECTIONS (3)
4	AND (4) OF THIS SECTION, EVEN IF THE FULLY REQUIRED ADJUSTMENT TO
5	BRING THE BLENDED TOTAL CONTRIBUTION AMOUNT TO ONE HUNDRED
6	AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION IS
7	NOT ACHIEVED.
8	(6) When the blended total contribution amount is
9	GREATER THAN OR EQUAL TO ONE HUNDRED AND TWENTY PERCENT OF THE
10	BLENDED TOTAL REQUIRED CONTRIBUTION, THE FOLLOWING ADJUSTMENT
11	SHALL OCCUR:
12	(a) Subject to sections $24-51-1002(1.5)$ and $24-51-1009(1.5)$ ,
13	THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT TO SECTIONS
14	24-51-1002 AND 24-51-1009 (4)(a), SHALL BE INCREASED BY UP TO
15	ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL
16	INCREASE PERCENTAGE BE GREATER THAN TWO PERCENT, EXCEPT AS
17	PROVIDED IN SECTION 24-51-1009.5;
18	(b) THE EMPLOYER CONTRIBUTION RATE WILL BE REDUCED BY UP
19	TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER
20	CONTRIBUTION RATE BE LESS THAN THE EMPLOYER CONTRIBUTION RATES
21	UNDER SECTION 24-51-401 $(1.7)(a)(I)$ ;
22	(c) The member contribution rate will be reduced by up to
23	ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER
24	CONTRIBUTION RATE BE LESS THAN THE MEMBER CONTRIBUTION RATES
25	UNDER SECTION 24-51-401 $(1.7)(a)(I)$ ; AND
26	(d) The amount of the direct distribution pursuant to
27	SECTION 24-51-414 WILL BE REDUCED BY UP TO TWENTY MILLION

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1	DOLLARS IN A FISCAL YEAR.
2	(7) THE ADJUSTMENT IN SUBSECTION (6) OF THIS SECTION SHALL
3	BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED
4	AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS,
5	THE MEMBER CONTRIBUTIONS, AND, IF APPLICABLE, THE DIRECT
6	DISTRIBUTION AMOUNT, AND SHALL BE THE MAXIMUM YEARLY
7	ADJUSTMENT ALLOWED UNLESS AN AMOUNT LOWER THAN THE MAXIMUM
8	ADJUSTMENT IS NECESSARY TO KEEP THE BLENDED TOTAL CONTRIBUTION
9	AMOUNT EQUAL TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED
10	TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY
11	ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO
12	FALL BELOW ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL
13	REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY
14	CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY
15	AMOUNTS SPECIFIED IN SUBSECTIONS $(6)(a)$ , $(6)(b)$ , $(6)(c)$ , AND $(6)(d)$ OF
16	THIS SECTION.
17	(8) The adjustments pursuant to this section shall be
18	DETERMINED BASED ON THE BLENDED TOTAL CONTRIBUTION AMOUNT AND
19	BLENDED TOTAL REQUIRED CONTRIBUTION AS REPORTED IN THE ANNUAL
20	ACTUARIAL VALUATION REPORT REQUIRED UNDER SECTION 24-51-204 (7),
21	AND SHALL BE EFFECTIVE JULY 1 OF THE NEXT CALENDAR YEAR.
22	THE FIRST ADJUSTMENT PURSUANT TO THIS SECTION SHALL NOT OCCUR
23	BEFORE JULY 1, 2020.
24	
25	<b>24-51-414. Direct distribution.</b> (1) On July 1, 2018, and on
26	July 1 each year thereafter until there are no unfunded
27	ACTUARIAL ACCRUED LIABILITIES OF ANY DIVISION OF THE ASSOCIATION

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1 THAT RECEIVES THE DISTRIBUTION PURSUANT TO THIS SECTION, THE STATE
2 TREASURER SHALL ISSUE A WARRANT TO THE ASSOCIATION IN AN AMOUNT
3 EQUAL TO TWO HUNDRED TWENTY-FIVE MILLION DOLLARS. SUCH AMOUNT
4 SHALL BE PAID TO THE ASSOCIATION FROM THE GENERAL FUND, OR ANY

OTHER FUND, SUBJECT TO SECTION 24-51-413.

- (2) FOR THE PURPOSE OF ALLOCATING APPROPRIATE INDIRECT, CASH FUNDED, OR FEDERAL COSTS FOR THE DIRECT DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE OFFICE OF STATE PLANNING AND BUDGETING MAY INCLUDE FUNDING SOURCES OTHER THAN THE GENERAL FUND IN THE GOVERNOR'S ANNUAL BUDGET REQUEST FOR THE 2019-20 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER TO SATISFY THE FUNDING AMOUNTS OF THE DIRECT DISTRIBUTION.
- (3) The distribution pursuant to subsection (1) of this section shall end when there are no unfunded actuarial accrued liabilities of any division of the association that receives such distribution. By September 1, 2019, and by September 1 of each year thereafter, until the distribution pursuant to subsection (1) of this section is no longer required, the board shall determine whether the sum of the employer and member contributions pursuant to section 24-51-401 (1.7)(a), the contributions pursuant to section 24-51-411, and the distribution pursuant to subsection (1) of this section, is greater than the amount necessary to eliminate the unfunded actuarial accrued liability of each division of the association that receives the distribution in the next fiscal year. If the board determines that the total amount of the distribution pursuant to subsection (1) of this section will not be required to eliminate the unfunded

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1	ACTUARIAL ACCRUED LIABILITY OF EACH DIVISION OF THE ASSOCIATION
2	THAT RECEIVES THE DISTRIBUTION, THE BOARD SHALL NOTIFY THE OFFICE
3	OF STATE PLANNING AND BUDGETING AND THE JOINT BUDGET COMMITTEE
4	OF THE GENERAL ASSEMBLY BY SEPTEMBER 1 OF THE APPLICABLE YEAR.
5	(4) THE ASSOCIATION SHALL ALLOCATE THE DIRECT DISTRIBUTION
6	TO THE TRUST FUNDS OF EACH DIVISION OF THE ASSOCIATION AS IT WOULD
7	AN EMPLOYER CONTRIBUTION, IN A MANNER THAT IS PROPORTIONATE TO
8	THE ANNUAL PAYROLL OF EACH DIVISION AS REPORTED TO THE
9	ASSOCIATION; EXCEPT THAT THE ASSOCIATION SHALL NOT ALLOCATE ANY
10	PORTION OF THE DIRECT DISTRIBUTION AMOUNT TO THE LOCAL
11	GOVERNMENT DIVISION OF THE ASSOCIATION.
12	(5) BEGINNING WITH THE ANNUAL GENERAL APPROPRIATION ACT
13	For the $2019-20$ state fiscal year, and for each annual general
14	APPROPRIATION ACT THEREAFTER, MONEY DISTRIBUTED TO THE
15	ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE
16	INCLUDED FOR INFORMATIONAL PURPOSES IN THE ANNUAL GENERAL
17	APPROPRIATION BILL OR IN SUPPLEMENTAL APPROPRIATION BILLS FOR THE
18	PURPOSE OF COMPLYING WITH THE LIMITATION ON STATE FISCAL YEAR
19	Spending imposed by section $20$ of article $\boldsymbol{X}$ of the state
20	Constitution and section $24-77-103$ . The information included in
21	THE ANNUAL GENERAL APPROPRIATION BILL SHALL INCLUDE AN ESTIMATE
22	OF THE AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION $(1)$ OF
23	THIS SECTION THAT IS ATTRIBUTABLE TO THE STATE AND THE AMOUNT
24	THAT IS ATTRIBUTABLE TO PUBLIC EDUCATION FROM KINDERGARTEN
25	THROUGH THE TWELFTH GRADE.
26	24-51-415. Defined contribution supplement. Beginning
2.7	JANUARY 1. 2021. AND EVERY YEAR THEREAFTER, EMPLOYER

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1	CONTRIBUTION RATES WILL BE ADJUSTED TO INCLUDE A DEFINED
2	CONTRIBUTION SUPPLEMENT, WHICH WILL BE CALCULATED SEPARATELY
3	FOR THE STATE AND LOCAL GOVERNMENT DIVISIONS, AS APPLICABLE. THE
4	DEFINED CONTRIBUTION SUPPLEMENT FOR EACH DIVISION WILL BE THE
5	EMPLOYER CONTRIBUTION AMOUNT PAID TO DEFINED CONTRIBUTION PLAN
6	PARTICIPANT ACCOUNTS THAT WOULD HAVE OTHERWISE GONE TO THE
7	DEFINED BENEFIT TRUSTS TO PAY DOWN THE UNFUNDED LIABILITY, PLUS
8	ANY DEFINED BENEFIT INVESTMENT EARNINGS THEREON, EXPRESSED AS A
9	PERCENTAGE OF SALARY ON WHICH EMPLOYER CONTRIBUTIONS HAVE
10	BEEN MADE. THE EMPLOYER CONTRIBUTION AMOUNTS IN THE SUM SHALL
11	ONLY INCLUDE CONTRIBUTIONS MADE ON BEHALF OF ELIGIBLE
12	EMPLOYEES, AS DEFINED IN SECTION 24-51-1502, WHO COMMENCE
13	EMPLOYMENT ON OR AFTER JANUARY 1, 2019.
14	SECTION 13. In Colorado Revised Statutes, 24-51-504, amend
15	(2) as follows:
15 16	(2) as follows:  24-51-504. Purchase of service credit relating to a paid
16	24-51-504. Purchase of service credit relating to a paid
16 17	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the
16 17 18	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently
16 17 18 19	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical
16 17 18 19 20	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical leave or after the sabbatical leave has ended at the current APPLICABLE
16 17 18 19 20 21	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical leave or after the sabbatical leave has ended at the current APPLICABLE rate of member contributions PURSUANT TO SECTION 24-51-401 (1.7), plus
16 17 18 19 20 21 22	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical leave or after the sabbatical leave has ended at the current APPLICABLE rate of member contributions PURSUANT TO SECTION 24-51-401 (1.7), plus interest from the date the sabbatical leave began until such purchase is
16 17 18 19 20 21 22 23	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical leave or after the sabbatical leave has ended at the current APPLICABLE rate of member contributions PURSUANT TO SECTION 24-51-401 (1.7), plus interest from the date the sabbatical leave began until such purchase is complete.
16 17 18 19 20 21 22 23 24	24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical leave or after the sabbatical leave has ended at the current APPLICABLE rate of member contributions PURSUANT TO SECTION 24-51-401 (1.7), plus interest from the date the sabbatical leave began until such purchase is complete.  SECTION 14. In Colorado Revised Statutes, 24-51-602, amend

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retirees on December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, who have met the age and service requirements stated in the following table and who are not eligible for service retirement benefits pursuant to subsection (1.8) of this section shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603:

8 TABLE B.3

## SERVICE RETIREMENT ELIGIBILITY

10	Age Requirement	Service Credit Requirement
11	(years)	(years)
12	Any Age	35
13	60	30
14	65	5

(1.8) (a) Members of the school division or Denver public schools division who were not members, inactive members, or retirees on December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, who have met the age and service requirements stated in the following table shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603; except that at least the most recent ten years of service credit used in meeting the requirements of the table below must be earned in the school or Denver public schools divisions in order for the member to be eligible pursuant to this paragraph (a) SUBSECTION (1.8)(a):

26 TABLE B.4
27 SERVICE RETIREMENT ELIGIBILITY

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1	Age Requirement	Service Credit Requirement
2	(years)	(years)
3	Any Age	35
4	58	30
5	65	5
6	(1.9) (a) MEMBERS, EX	XCEPT STATE TROOPERS, WHO WERE NOT
7	MEMBERS, INACTIVE MEMBERS,	OR RETIREES ON DECEMBER 31, 2019, WHO
8	HAVE MET THE AGE AND SE	ERVICE REQUIREMENTS STATED IN THE
9	FOLLOWING TABLE SHALL, UPON	N WRITTEN APPLICATION AND APPROVAL OF
10	THE BOARD, RECEIVE SERVICE	RETIREMENT BENEFITS PURSUANT TO THE
11	BENEFIT FORMULA SET FORTH I	IN SECTION 24-51-603 (1), (2), AND (3):
12	TABLE B.5	
13	SERVICE RETIREMENT ELIGIBILITY	
14	AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
15	(YEARS)	(YEARS)
16	Any Age	35
17	64	30
18	65	5
19	(b) Members who are	RE ELIGIBLE FOR A BENEFIT PURSUANT TO
20	THIS SUBSECTION (1.9) AND V	WHO ARE SIXTY-FOUR YEARS OF AGE OR
21	OLDER SHALL, UPON WRITTEN A	PPLICATION AND APPROVAL OF THE BOARD,
22	RECEIVE SERVICE RETIREMENT	T BENEFITS PURSUANT TO THE BENEFIT
23	FORMULA SET FORTH IN SEC	ction 24-51-603, without reduction
24	PURSUANT TO SECTION 24-51-6	04, if they have at least five years of
25	SERVICE CREDIT AND IF THE NU	UMBER OF YEARS OF THEIR AGE PLUS THE
26	NUMBER OF YEARS OF THEIR SER	VICE CREDIT EQUALS NINETY-FOUR YEARS
27	OR MORE.	

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1	(c) This subsection (	1.9) does not create a contractuai
2	RIGHT FOR ANY MEMBER TO TH	E AGE REQUIREMENT SPECIFIED IN TABLE
3	B.5 to receive a full service	E RETIREMENT BENEFIT.
4	(2) (a) Members with less	ss than five years of service credit shall be
5	eligible for service retirement	benefits pursuant to the provisions of
6	section 24-51-605.5 upon reach	ing sixty-five years of age if contributions
7	were made for sixty months STA	ATE TROOPERS WHO WERE NOT MEMBERS
8	INACTIVE MEMBERS, OR RETIREE	S ON DECEMBER 31, 2019, WHO HAVE MET
9	THE AGE AND SERVICE REQUIRE	MENTS STATED IN THE FOLLOWING TABLE
10	SHALL, UPON WRITTEN APPLIC	ATION AND APPROVAL OF THE BOARD
11	RECEIVE SERVICE RETIREMENT	BENEFITS PURSUANT TO THE BENEFIT
12	FORMULA SET FORTH IN SECTION $24-51-603(1)$ AND $(3)$ :	
13	TABLE B.6	
14	SERVICE RETI	REMENT ELIGIBILITY
15	AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
16	(YEARS)	(YEARS)
17	Any Age	35
18	55	25
19	65	5
20	(b) State troopers wh	O ARE ELIGIBLE FOR A BENEFIT PURSUANT
21	TO THIS SUBSECTION (2) AND	WHO ARE FIFTY-FIVE YEARS OF AGE OF
22	OLDER SHALL, UPON WRITTEN AP	PLICATION AND APPROVAL OF THE BOARD
	,	
23		BENEFITS PURSUANT TO THE BENEFIT

PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF

SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE

NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY YEARS OR

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1	MORE. THIS SUBSECTION (2)	DOES NOT CREATE A CONTRACTUAL RIGHT
2	For any member to the age requirement specified in table $B.6\ \mathrm{Te}$	
3	RECEIVE A FULL SERVICE RETIREMENT BENEFIT.	
4	(2.3) Members with	LESS THAN FIVE YEARS OF SERVICE CREDIT
5	SHALL BE ELIGIBLE FOR SER	VICE RETIREMENT BENEFITS PURSUANT TO
6	SECTION 24-51-605.5 UPON	REACHING SIXTY-FIVE YEARS OF AGE IF
7	CONTRIBUTIONS WERE MADE	FOR SIXTY MONTHS.
8		
9	SECTION 15. In Co.	lorado Revised Statutes, amend 24-51-604
10	as follows:	
11	24-51-604. Reduced service retirement eligibility. (1) DPS	
12	members with less than five y	rears of service credit as of January 1, 2011,
13	and members WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON	
14	DECEMBER 31, 2019, AND who have met the age and service credit	
15	requirements stated in the following table and who do not meet the	
16	requirements of section 24-51-602 shall, upon written application and	
17	approval of the board, receive reduced service retirement benefits	
18	pursuant to the benefit formula set forth in section 24-51-605:	
19	TABLE C	
20	REDUCED SERVIC	E RETIREMENT ELIGIBILITY
21	Age Requirement	Service Credit Requirement
22	(years)	(years)
23	50	25
24	50 State Tr	oopers only 20
25	55	20
26	60	5
27	(2) Members who were not members, inactive members, or	

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1	RETIREES ON DECEMBER 31, 2019, WHO HAVE MET THE AGE AND SERVICE	
2	CREDIT REQUIREMENTS STATED IN THE FOLLOWING TABLE AND WHO DO	
3	NOT MEET THE REQUIREMENTS OF SECTION 24-51-602 SHALL, UPON	
4	WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE REDUCED	
5	SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET	
6	FORTH IN SECTION 24-51-605:	
7	TABLE C.1	
8	REDUCED SERVICE RETIREMENT ELIGIBILITY	
9	AGE REQUIREMENT	SERVICE CREDIT REQUIREMENT
10	(YEARS)	(YEARS)
11	55	25
12	55 STATE TRO	OOPERS ONLY 20
13	60	5
14		
15	SECTION 16. In Colorado Revised Statutes, 24-51-606, amend	
16	(1.5) and (2)(b) as follows:	
17	<b>24-51-606.</b> Vested inactive member rights. (1.5) Any member	
18	who was not a member, inactive member, or retiree on December 31,	
19	2006, who has earned at least five years of service credit and who	
20	terminates membership and does not elect to receive a refund pursuant to	
21	the provisions of section 24-51-405 shall be eligible for a benefit to	
22	become effective upon written application and approval by the board and	
23	upon reaching the age specified in table B.05, B.07, or B.1 TABLE B.05,	
24	B.07, B.1, B.2, B.3, B.4, B.5, OR B.6 of section 24-51-602, as applicable,	
25	for a service retirement or in table C TABLE C OR C.1 of section 24-51-604	
26	for a reduced service retirement. Notwithstanding the provisions of this	
27	subsection (1.5), for such a member who applies for retirement within	

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ninety days after the member attains age and service eligibility, the effective date of retirement shall be the date the member attains such age and service eligibility.

(2) (b) Direct payments in lieu of member contributions are calculated at the current APPLICABLE member contribution rates PURSUANT TO SECTION 24-51-401 (1.7), multiplied by the most recent full-time monthly salary paid for the position previously held by the vested inactive member.

**SECTION 17.** In Colorado Revised Statutes, **amend** 24-51-1001 as follows:

**24-51-1001. Types of benefit increases.** (1) For benefit recipients whose benefits are based on the account of a member who was a member, inactive member, or retiree on December 31, 2006, or for benefit recipients whose benefits are based on the account of a DPS member or DPS retiree, annual increases in retirement benefits and survivor benefits shall be effective with the July benefit. Such increases in benefits shall be calculated in accordance with the provisions of sections 24-51-1002 and 24-51-1003, SUBJECT TO SECTION 24-51-413, and shall be paid from the retirement benefits reserve or the survivor benefits reserve, as appropriate, so long as the following requirements are satisfied:

- (a) For benefit recipients whose benefit is based on a retiree or DPS retiree whose effective date of retirement is prior to January 1, 2011, or whose survivor benefits are based on a date of death that occurred prior to January 1, 2011, the benefits have been paid to the benefit recipient for at least seven months preceding July 1.
- (b) For benefit recipients whose benefit is based on a retiree or

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DPS retiree whose effective date of retirement is on or after January 1, 2011, or whose survivor benefits are based on a date of death that is on or after January 1, 2011, AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE BENEFIT ON OR BEFORE MAY 1, 2018, the benefits have been paid to the benefit recipient for the twelve months prior to July 1, and for benefit recipients whose benefit is based upon a retiree or DPS retiree who was not eligible to retire as of January 1, 2011, THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THE TWELVE MONTHS PRIOR TO JULY 1 AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE BENEFIT ON OR BEFORE MAY 1, 2018, the retiree met the following requirements:

- (I) For DPS members with five or more years of service credit as of January 1, 2011, and for members WHO ARE NOT STATE TROOPERS who began membership prior to July 1, 2005, and have five or more years of service credit as of January 1, 2011, the retiree retired with a service retirement benefit pursuant to section 24-51-602 or 24-51-1713, whichever is applicable, or retired with a reduced service retirement benefit pursuant to section 24-51-604 or 24-51-1714, whichever is applicable, but has, as of January 1, attained the age and service credit years that when combined total at least eighty years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty;
- (II) For members WHO ARE NOT STATE TROOPERS who began membership on or after July 1, 2005, but prior to January 1, 2007, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired

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with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; or

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(III) For DPS members with less than five years of service credit as of January 1, 2011, and for members whose membership began prior to January 1, 2007, with less than five years of service credit as of January 1, 2011, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; OR (IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,

(b.5) For benefit recipients whose benefit is based on a retiree or DPS retiree whose effective date of retirement is on or after January 1, 2011, or whose survivor benefits are based on a date of death that is on or after January 1, 2011, and an annual increase has not been applied to the retirement or survivor benefit on or before May 1, 2018, the benefits have been

ATTAINED THE AGE OF FIFTY-FIVE.

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1	PAID TO THE BENEFIT RECIPIENT FOR THIRTY-SIX MONTHS TOTAL BEFORE
2	July 1, and benefits have been paid to the benefit recipient for
3	THE TWELVE MONTHS PRIOR TO JULY 1, AND FOR BENEFIT RECIPIENTS
4	WHOSE BENEFIT IS BASED UPON A RETIREE OR DPS RETIREE WHO WAS NOT
5	ELIGIBLE TO RETIRE AS OF JANUARY 1, 2011, THE RETIREE MET THE
6	FOLLOWING REQUIREMENTS:
7	(I) FOR DPS MEMBERS WITH FIVE OR MORE YEARS OF SERVICE
8	Credit as of January 1, 2011, and for members who are not state
9	Troopers who began membership prior to July 1, 2005, and have
10	FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE
11	RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
12	SECTION 24-51-602 OR 24-51-1713, WHICHEVER IS APPLICABLE, OR
13	RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
14	SECTION $24-51-604$ or $24-51-1714$ , whichever is applicable, but has,
15	AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT
16	WHEN COMBINED TOTAL AT LEAST EIGHTY YEARS, OR RETIRED WITH A
17	REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604
18	BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;
19	(II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHO BEGAN
20	membership on or after July $1,2005$ , but prior to January $1,2007$ ,
21	THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
22	SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT

(II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHO BEGAN MEMBERSHIP ON OR AFTER JULY 1, 2005, BUT PRIOR TO JANUARY 1, 2007, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

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1	(III) FOR DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE
2	CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHOSE MEMBERSHIP
3	BEGAN PRIOR TO JANUARY 1, 2007, WITH LESS THAN FIVE YEARS OF
4	Service credit as of January 1, 2011, the retiree retired with a
5	SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR
6	RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
7	SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND
8	SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST
9	EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
10	BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
11	ATTAINED THE AGE OF SIXTY; OR
12	(IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE
13	MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE
14	RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO
15	SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT
16	BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1,
17	ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH
18	NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST
19	SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
20	BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
21	ATTAINED THE AGE OF FIFTY-FIVE.
22	(c) No minimum age or service credit requirement shall apply to
23	disability retirees or survivor benefit recipients.
24	(1.5) and (2) (Deleted by amendment, L. 93, p. 478, § 6, effective
25	March 1, 1994.)
26	(3) For benefit recipients whose benefits are based on the account
27	of a member who was not a member, inactive member, or retiree on

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December 31, 2006, annual increases in retirement benefits and survivor benefits, if any, shall be effective with the July benefit in accordance with the provisions of section 24-51-1009, SUBJECT TO SECTION 24-51-413, and shall be paid from the retirement benefits reserve or the survivor benefits reserve, as appropriate, so long as the following requirements are satisfied:

- (a) The benefits have been paid to the benefit recipient for the full preceding calendar year AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE RETIREMENT OR SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; and
- (b) (I) For members who are not state troopers whose membership began on or after January 1, 2007, but prior to January 1, 2011, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty;
- (II) For members WHO ARE NOT STATE TROOPERS whose membership began on or after January 1, 2011, but prior to January 1, 2017, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-eight years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty;
- (III) Subject to the provisions of subparagraph (IV) of this paragraph (b) SUBSECTION (3)(b)(IV) OF THIS SECTION, for members WHO

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1 ARE NOT STATE TROOPERS whose membership began on or after January 2 1, 2017, the retiree retired with a service retirement benefit pursuant to 3 section 24-51-602, or retired with a reduced service retirement benefit 4 pursuant to section 24-51-604 but has, as of January 1, attained the age 5 and service credit years that when combined total at least ninety years, or 6 retired with a reduced service retirement benefit pursuant to section 7 24-51-604 but has, as of January 1, attained the age of sixty; or 8 (IV) For members whose membership began on or after January 9 1, 2017, the retiree retired from the school or Denver public schools 10 divisions with a reduced service retirement benefit pursuant to section 11 24-51-604 and the retiree's most recent ten years of service credit was 12 earned in the school or Denver public schools divisions, but, as of January 13 1, the retiree's age and total service credit total at least eighty-eight years, 14 or the retiree retired with a reduced service retirement benefit pursuant to 15 section 24-51-604 but has, as of January 1, attained the age of sixty; OR 16 (V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT 17 MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE 18 RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO 19 SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT 20 BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, 21 ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH 22 NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST 23 SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT 24 BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, 25 ATTAINED THE AGE OF FIFTY-FIVE. 26 (c) No minimum age or service credit requirement shall apply to

disability retirees or survivor benefit recipients.

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1	(3.3) FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE
2	ACCOUNT OF A MEMBER WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR
3	RETIREE ON DECEMBER 31, 2006, ANNUAL INCREASES IN RETIREMENT
4	BENEFITS AND SURVIVOR BENEFITS, IF ANY, ARE EFFECTIVE WITH THE JULY
5	BENEFIT IN ACCORDANCE WITH SECTION 24-51-1009, SUBJECT TO SECTION
6	24-51-413, AND SHALL BE PAID FROM THE RETIREMENT BENEFITS RESERVE
7	OR THE SURVIVOR BENEFITS RESERVE, AS APPROPRIATE, SO LONG AS THE
8	FOLLOWING REQUIREMENTS ARE SATISFIED:
9	(a) THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR
10	THIRTY-SIX MONTHS TOTAL, AND BENEFITS HAVE BEEN PAID TO THE
11	BENEFIT RECIPIENT FOR THE FULL PRECEDING CALENDAR YEAR, AND AN
12	ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR
13	survivor benefit on or before May 1, 2018; and
14	(b) (I) For members who are not state troopers whose
15	MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2007, BUT PRIOR TO
16	January 1, 2011, the retiree retired with a service retirement
17	BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED
18	SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,
19	AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT
20	WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH
21	A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
22	24-51-604 but has, as of January 1, attained the age of sixty;
23	(II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE
24	MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO
25	January 1, 2017, the retiree retired with a service retirement
26	BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED
27	SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS,

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1	AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT
2	WHEN COMBINED TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR RETIRED WITH
3	A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
4	24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;
5	(III) Subject to subsection (3.5)(b)(IV) of this section, for
6	MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON
7	OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE
8	RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH
9	A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
10	24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE
11	CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY YEARS, OR
12	RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
13	SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF
14	SIXTY;
15	(IV) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER
16	January 1, 2017, the retiree retired from the school or Denver
17	PUBLIC SCHOOLS DIVISIONS WITH A REDUCED SERVICE RETIREMENT
18	BENEFIT PURSUANT TO SECTION 24-51-604 AND THE RETIREE'S MOST
19	RECENT TEN YEARS OF SERVICE CREDIT WAS EARNED IN THE SCHOOL OR
20	DENVER PUBLIC SCHOOLS DIVISIONS, BUT, AS OF JANUARY 1, THE
21	RETIREE'S AGE AND TOTAL SERVICE CREDIT TOTAL AT LEAST EIGHTY-EIGHT
22	YEARS, OR THE RETIREE RETIRED WITH A REDUCED SERVICE RETIREMENT
23	BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
24	ATTAINED THE AGE OF SIXTY;
25	(V) For members who are state troopers who were not
26	MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, BUT
27	BEFORE DECEMBER 31, 2020, THE RETIREE RETIRED WITH A SERVICE

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1	RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH
2	A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION
3	24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE
4	CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE
5	CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR
6	RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
7	SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF
8	FIFTY-FIVE;
9	(VI) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE
10	MEMBERSHIP BEGAN ON OR AFTER JANUARY 1,2020, THE RETIREE RETIRED
11	WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602,
12	OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
13	SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND
14	SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST
15	NINETY-FOUR YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT
16	BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1,
17	ATTAINED THE AGE OF SIXTY-FOUR; OR
18	(VII) FOR MEMBERS WHO ARE STATE TROOPERS WHOSE
19	MEMBERSHIP BEGAN ON OR AFTER JANUARY 1,2020, THE RETIREE RETIRED
20	WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602,
21	OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
22	SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND
23	SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER
24	SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST EIGHTY YEARS, OR
25	RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO
26	SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF
27	SIXTY.

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1	(c) No minimum age or service credit requirement shall
2	APPLY TO DISABILITY RETIREES OR SURVIVOR BENEFIT RECIPIENTS.
3	(4) Benefits that are calculated pursuant to part 17 of this article
4	ARTICLE 51 shall be governed by the benefit increase provisions of such
5	part 17.
6	SECTION 18. In Colorado Revised Statutes, 24-51-1002, amend
7	(2); and <b>add</b> (1.5) as follows:
8	24-51-1002. Annual percentages to be used.
9	(1.5) Notwithstanding any other provision of this section, for
10	The years $2018$ and $2019$ , the annual increase awarded shall be
11	ZERO PERCENT.
12	(2) Beginning in the year 2011 ON THE EFFECTIVE DATE OF THIS
13	SUBSECTION (2), AS AMENDED, subject to the provisions of section
14	24-51-1009.5, for benefit recipients whose benefits are based on the
15	account of a member who was a member, inactive member, or retiree on
16	December 31, 2006, or for benefit recipients whose benefits are based on
17	the account of a DPS member or DPS retiree, the increase applied to
18	benefits paid shall be the lesser of two percent or the average of the
19	annual increases determined for each month, to the nearest one-tenth of
20	a percent, as calculated by the United States department of labor, in the
21	national consumer price index for urban wage earners and clerical
22	workers during the calendar year preceding the increase in the benefit.
23	Notwithstanding the provisions of this subsection (2), the increase shall
24	be the maximum permitted under this subsection (2) and section
25	24-51-1009.5 unless the association's annual audited return on
26	investments is negative for the preceding calendar year, at which point the
27	annual increase for the subsequent three years shall be the lesser of two

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1	percent of the average of the annual increases determined for each month,
2	to the nearest one-tenth of a percent, as calculated by the United States
3	department of labor, in the national consumer price index for urban wage
4	earners and clerical workers during the calendar year preceding the
5	increase in the benefit one and one-half percent unless adjusted
6	PURSUANT TO SECTION 24-51-413. The increase applied to such benefits
7	shall be recalculated annually as of July 1 and shall be the compounded
8	annual percentage of the annual increases applied to such benefits. In the
9	first year that the benefit recipient is eligible to receive an annual increase
10	pursuant to section 24-51-1001, the annual increase shall be prorated.
11	SECTION 19. In Colorado Revised Statutes, 24-51-1009, amend
12	(4) introductory portion and (4)(a); and add (1.5) as follows:
13	<b>24-51-1009.</b> Annual increase reserve - creation. (1.5) FOR THE
14	YEARS $2018\mathrm{And}2019$ , the annual increase awarded shall be zero
15	PERCENT.
16	(4) An actuarial valuation shall be conducted each year for the
17	annual increase reserve of each division for the purposes of this section.
18	The actuarial valuation shall include a determination of the total market
19	value of the assets in the reserve and a calculation of the net present value
20	of the actuarial liabilities associated with providing each of the annual
21	increases described in paragraphs (a), (b), and (c) of this subsection (4)
22	SUBSECTIONS $(4)(a)$ , $(4)(b)$ , AND $(4)(c)$ OF THIS SECTION. Subject to section
23	24-51-1009.5, the maximum annual increase awarded by the board shall
24	be the lesser of the following calculations:
25	(a) Subject to the maximum annual increase as adjusted
26	PURSUANT TO SECTION 24-51-413, a permanent increase equal to two
27	percent ONE AND ONE-HALF PERCENT of current benefits payable to

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1	benefit recipients then eligible for an annual increase in accordance with
2	section 24-51-1001 (3);
3	SECTION 20. In Colorado Revised Statutes, amend
4	24-51-1009.5 as follows:
5	24-51-1009.5. Annual increase amount changes. When the
6	actuarial funded ratio of the association, based on the actuarial value of
7	assets, is at or above one hundred three percent as determined in the
8	annual actuarial study of the association, the upper limit of the annual
9	increase shall be increased by one-quarter of one percent. If the actuarial
10	funded ratio of the association, based on the actuarial value of assets,
11	reaches one hundred three percent and subsequently any annual actuarial
12	study reflects the actuarial funded ratio of the association, based on the
13	actuarial value of assets, is below ninety percent, the upper limit of the
14	annual increase shall be decreased by one-quarter of one percent. At no
15	time shall the upper limit of the annual increase fall below two percent.
16	
17	SECTION 21. In Colorado Revised Statutes, add 24-51-1500.2
18	as follows:
19	24-51-1500.2. Legislative declaration. The General assembly
20	FINDS AND DECLARES THAT THE PURPOSE OF THE DEFINED CONTRIBUTION
21	PLAN ESTABLISHED IN THIS PART 15 IS TO PROVIDE ELIGIBLE EMPLOYEES
22	WHO PARTICIPATE IN THE DEFINED CONTRIBUTION PLAN WITH A PATH
23	TOWARD HAVING A SECURE RETIREMENT THROUGH A FOCUS ON LIFETIME
24	RETIREMENT INCOME TO MAINTAIN AN ELIGIBLE EMPLOYEE'S STANDARD
25	OF LIVING FOLLOWING A FULL CAREER OF EMPLOYMENT. THE PROVISIONS
26	OF THIS PART 15 ARE DESIGNED TO AVOID A NEGATIVE IMPACT ON THE
27	DEFINED BENEFIT TRUSTS IN THIS ARTICLE 51. EMPLOYERS ARE

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1	RESPONSIBLE FOR ENSURING THAT THEIR EMPLOYEES UNDERSTAND THE
2	ADVANTAGES AND DISADVANTAGES OF THE DEFINED BENEFIT AND
3	DEFINED CONTRIBUTION PLANS.
4	SECTION 22. In Colorado Revised Statutes, 24-51-1501, amend
5	(1) and (4) as follows:
6	24-51-1501. Defined contribution plan - establishment -
7	creation of fund - definitions. (1) The board is hereby authorized to
8	establish and administer a defined contribution plan for eligible state
9	employees as provided in this part 15. The board shall establish the terms
10	and conditions of the association's defined contribution plan offered to
11	eligible state employees. The assets of the plan shall be held in a separate
12	trust fund of the association created for such purpose.
13	(4) For purposes of this part 15, "employer" means the state, the
14	general assembly, the office of a district attorney in a judicial district, any
15	state department that employs an eligible employee, and any community
16	college governed by the state board for community colleges and
17	occupational education. Effective January 1, 2019, "employer" also
18	INCLUDES ANY EMPLOYER IN THE LOCAL GOVERNMENT DIVISION AND, TO
19	THE EXTENT THAT THEY EMPLOY CLASSIFIED EMPLOYEES IN THE STATE
20	PERSONNEL SYSTEM, ANY STATE COLLEGE OR UNIVERSITY AS DEFINED IN
21	SECTION 24-54.5-102 (7), ANY INSTITUTION UNDER THE CONTROL OF THE
22	BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO, OR AN
23	INSTITUTION GOVERNED PURSUANT TO PART 5 OF ARTICLE 21 OF TITLE 23.
24	PRIOR TO JANUARY 1, 2019, "employer" shall not include any state college
25	or university as defined in section 24-54.5-102 (7), any institution under
26	the control of the board of regents of the university of Colorado, or an
27	institution governed pursuant to part 5 of article 21 of title 23. C.R.S.

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1	SECTION 23. In Colorado Revised Statutes, 24-51-1502, amend
2	(2)(a); and <b>repeal</b> (3) as follows:
3	24-51-1502. New eligible employees - election - definitions.
4	(2) (a) For purposes of this part 15, "eligible employee" means, effective
5	July 1, 2009, and effective January 1, 2019, for local government
6	DIVISION EMPLOYEES AND STATE DIVISION EMPLOYEES WHO ARE
7	EMPLOYED ONLY IN A CLASSIFIED POSITION IN THE STATE PERSONNEL
8	SYSTEM BY A STATE COLLEGE OR UNIVERSITY, any employee who
9	commences employment with an employer and who, if not commencing
10	employment in a state elected official's position, has not been a member
11	of the association's defined benefit plan or the association's defined
12	contribution plan or an active participant of the state defined contribution
13	plan established pursuant to part 2 of article 52 of this title TITLE 24, as
14	said part existed prior to its repeal in 2009, during the twelve months
15	prior to the date that he or she commenced employment. "Eligible
16	employee" includes a retiree of the association who is serving in a state
17	elected official's position but does not include any other retiree of the
18	association or a retiree of the association who has suspended benefits.
19	(3) An eligible employee hired by an employer on or after May 2,
20	2009, is eligible for the election pursuant to subsection (1) of this section.
21	SECTION 24. In Colorado Revised Statutes, 24-51-1503, amend
22	(2) as follows:
23	<b>24-51-1503. Defined contribution plan option.</b> (2) An employee
24	hired by an employer who has been a member of the association's defined
25	benefit plan or the association's defined contribution plan during the
26	twelve months prior to the date that the employee commences
27	employment shall automatically continue to be a member of such plan

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1	upon commencing employment. If AUTOMATICALLY CONTINUING IN THE
2	DEFINED CONTRIBUTION PLAN, THE EMPLOYEE'S INDIVIDUAL
3	PARTICIPATION ACCOUNT SHALL RECEIVE THE SAME EMPLOYER
4	CONTRIBUTION PURSUANT TO SECTION 24-51-1505 (1), AS PREVIOUSLY
5	ENTITLED. The employee shall be considered an eligible employee for
6	purposes of section 24-51-1506.
7	SECTION 25. In Colorado Revised Statutes, 24-51-1505, amend
8	(1), (2), and (3) as follows:
9	24-51-1505. Contributions - vesting - definition.
10	(1) Contribution rates to the association's defined contribution plan by
11	the employer and by members of the defined contribution plan established
12	pursuant to this part 15 shall be the same as the rates that would be
13	payable by the employer and the member pursuant to section 24-51-401.
14	THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE THE FULL
15	MEMBER CONTRIBUTION AMOUNT IN EFFECT UNDER SECTION 24-51-401.
16	THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE A PORTION OF
17	THE EMPLOYER CONTRIBUTION EQUAL TO THE AMOUNT IN TABLE ${\bf A}$ IN
18	SECTION 24-51-401 (1.7)(a). Any portion of the employer
19	CONTRIBUTION ABOVE THE AMOUNT IN TABLE A IN 24-51-401 (1.7)(a)
20	SHALL BE PAID TO THE EMPLOYER'S DIVISION TRUST FUND.
21	(2) Consistent with the provisions of section 24-51-401 (1.7)(b),
22	(1.7)(c), and (1.7)(d), the employer shall deliver all contributions to the
23	defined contribution plan trust fund via the service provider designated
24	by the association within five days after the date members are paid.
25	(3) Except as otherwise provided in subsection (4) of this section,
26	members of the association's defined contribution plan shall be

immediately and fully vested in their own contributions to the plan,

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together with accumulated investment gains or losses. Members shall be immediately vested in fifty percent of the employer's contribution to the DEFINED CONTRIBUTION plan, together with accumulated investment gains or losses on that vested portion. For each full year of membership in the defined contribution plan, the vesting percentage shall increase by ten percent. The vesting percentage in the employer's contribution, with accumulated earnings or losses, shall be one hundred percent for all members with five or more years of membership in the defined contribution plan. If an individual becomes a member of the defined contribution plan without an existing account balance or after a twelve-month break in service, the individual shall begin a new vesting schedule with regard to future employer contributions in accordance with this subsection (3).

**SECTION 26.** In Colorado Revised Statutes, 24-51-1702, **amend** (17) as follows:

**24-51-1702. Definitions.** As used in this part 17, unless the context otherwise requires:

(17) "Highest average salary" means the average monthly compensation of the thirty-six months of accredited service having the highest rates, multiplied by twelve, or the "career average salary", whichever is greater, and shall be applied to benefits, except for benefits under sections 24-51-1727 to 24-51-1731, attributable to retirement or death on or after July 1, 1994. For benefits under sections 24-51-1727 to 24-51-1731, "highest average salary" applies to cases where termination of service occurs on or after July 1, 1994. This subsection (17) shall apply only to DPS members eligible for a retirement benefit as of January 1, 2011. For DPS members not eligible for a retirement benefit as of January

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**SECTION 27.** In Colorado Revised Statutes, **add with amended** and relocated provisions article 51.5 to title 24 as follows:

ARTICLE 51.1

## **Pension Review Commission**

24-51.1-101. [Formerly 31-31-1001.] Pension review **commission.** (1) (a) There is hereby created the police officers' and firefighters' pension reform REVIEW commission, to REFERRED TO IN THIS SECTION AS THE "COMMISSION". BEGINNING IN THE FIRST REGULAR SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY, THE COMMISSION SHALL be comprised of five senators, THREE OF WHOM ARE appointed by the president of the senate AND TWO OF WHOM ARE APPOINTED BY THE MINORITY LEADER OF THE SENATE, and ten FIVE representatives, THREE OF WHOM ARE appointed by the speaker of the house of representatives The party representation shall be in proportion generally to the relative number of members of the two major political parties in each chamber AND TWO OF WHOM ARE APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES. The chair shall be designated by the speaker of the house of representatives in odd-numbered years and by the president of the senate in even-numbered years. The vice-chair shall be appointed by the speaker of the house of representatives in even-numbered years and by the president of the senate in odd-numbered years. Members of the commission shall receive the same per diem allowance authorized for other members of the general assembly serving

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on interim study committees and actual expenses for participation in meetings of the commission. Staff services for the commission AND THE PENSION REVIEW SUBCOMMITTEE CREATED PURSUANT TO SUBSECTION (3) OF THIS SECTION shall be furnished by the state auditor's office, the legislative council, and the office of legislative legal services. The state auditor, with the approval of the commission, may contract for services deemed necessary for the implementation of this part 10 ARTICLE 51.1.

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(b) The terms of the members appointed by the speaker of the house of representatives and the president of the senate and who are serving on March 22, 2007, shall be extended to and expire on or shall terminate on the convening date of the first regular session of the sixty-seventh general assembly. As soon as practicable after such convening date, the speaker and the president shall appoint or reappoint members in the same manner as provided in paragraph (a) of this subsection (1). Thereafter, The terms of members appointed or reappointed by the speaker, and THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, the president, AND THE MINORITY LEADER OF THE SENATE shall expire on the convening date of the first regular session of each general assembly, and all subsequent appointments and reappointments by the speaker and the president shall be made as soon as practicable after such convening date. The person making the original appointment or reappointment shall fill any vacancy by appointment for the remainder of an unexpired term. Members appointed or reappointed by the speaker, and THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, the president, AND THE MINORITY LEADER OF THE SENATE shall serve at the pleasure of the appointing authority and shall continue in office until the member's successor is appointed.

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1	(2) The commission shall study and develop proposed legislation
2	relating to funding of police officers' and firefighters' pensions in this
3	state and benefit designs of such pension plans. IN ADDITION, THE
4	COMMISSION SHALL STUDY AND DEVELOP PROPOSED LEGISLATION
5	RELATING TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION. The
6	commission study of Police officers' and firefighters' pensions and
7	OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION shall include a
8	review of, and the proposed legislation may include, among other
9	subjects, the following, AS APPLICABLE:
10	(a) Normal retirement age; and compulsory retirement;
11	(b) Payment of benefits prior to normal retirement age;
12	(c) Service requirements for eligibility;
13	(d) Rate of accrual of benefits;
14	(e) Disability benefits;
15	(f) Survivors' benefits;
16	(g) Vesting of benefits;
17	(h) Employee AND EMPLOYER contributions;
18	(i) Postretirement increases;
19	(j) Creation of an administrative board;
20	(k) Creation of a consolidated statewide system;
21	(l) Distribution of state funds;
22	(m) (l) Coordination of benefits with other programs;
23	(n) (m) The volunteer firefighter pension system;
24	(o) (n) The provisions of this article and article 30.5 of this title
25	ARTICLES 30, 30.5, AND 31 OF TITLE 31; AND
26	(o) The provisions of article 51 of this title 24.
27	(3) Repealed.

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I	(3) (a) THERE IS HEREBY CREATED THE PENSION REVIEW
2	SUBCOMMITTEE. THE SUBCOMMITTEE SHALL CONSIST OF FOURTEEN
3	MEMBERS APPOINTED AS FOLLOWS:
4	(I) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE
5	MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF
6	THE SENATE, AND THE MINORITY LEADER OF THE SENATE SHALL EACH
7	APPOINT ONE LEGISLATOR WHO HE OR SHE HAS APPOINTED TO SERVE ON
8	THE PENSION REFORM COMMISSION TO ALSO SERVE ON THE
9	SUBCOMMITTEE;
10	(II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
11	PRESIDENT OF THE SENATE SHALL BOTH APPOINT TWO PEOPLE FROM THE
12	COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT
13	MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND
14	BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,
15	OR ACTUARIAL ANALYSIS;
16	(III) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES
17	AND THE MINORITY LEADER OF THE SENATE SHALL BOTH APPOINT TWO
18	PEOPLE FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF
19	INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE,
20	COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING,
21	PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS;
22	(IV) THE GOVERNOR SHALL APPOINT ONE PERSON FROM THE
23	COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT
24	MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND
25	BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,
26	OR ACTUARIAL ANALYSIS; AND
27	$(\mathrm{V})$ The state treasurer shall appoint one person from the

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1	COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT
2	MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND
3	BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION,
4	OR ACTUARIAL ANALYSIS.
5	(b) The chair of the subcommittee shall be designated by
6	THE SPEAKER OF THE HOUSE OF REPRESENTATIVES IN ODD-NUMBERED
7	YEARS AND BY THE PRESIDENT OF THE SENATE IN EVEN-NUMBERED YEARS.
8	THE VICE-CHAIR OF THE SUBCOMMITTEE SHALL BE APPOINTED BY THE
9	SPEAKER OF THE HOUSE OF REPRESENTATIVES IN EVEN-NUMBERED YEARS
10	AND BY THE PRESIDENT OF THE SENATE IN ODD-NUMBERED YEARS. THE
11	CHAIR AND VICE-CHAIR SHALL BE DESIGNATED FROM THE LEGISLATIVE
12	MEMBERS OF THE SUBCOMMITTEE.
13	$(c) \ The {\tt NONLEGISLATIVE MEMBERS OF THE SUBCOMMITTEE SHALL}$
14	SERVE WITHOUT COMPENSATION FROM THE GENERAL ASSEMBLY.
15	(4) (a) The subcommittee shall review the items specified
16	IN SUBSECTION (2) OF THIS SECTION AS THEY RELATE TO THE PUBLIC
17	EMPLOYEES' RETIREMENT ASSOCIATION, AS APPLICABLE. IN ADDITION, THE
18	SUBCOMMITTEE SHALL:
19	(I) Study the provisions of article $51$ of this title $24$ and
20	MAKE NECESSARY RECOMMENDATIONS TO THE COMMISSION OR THE
21	PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;
22	(II) DETERMINE THE NECESSITY OF CONTINUING THE DIRECT
23	DISTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
24	PURSUANT TO SECTION 24-51-414;
25	(III) SUGGEST TO THE PUBLIC EMPLOYEES' RETIREMENT
26	ASSOCIATION ENHANCEMENTS THAT THE ASSOCIATION COULD MAKE TO
27	THE ANNUAL ANALYSIS THAT IT CONDUCTS PURSUANT TO SENATE BILL

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1	14-214, ENACTED IN 2014, TO DETERMINE WHETHER THE ASSOCIATION S
2	MODEL ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING
3	SUSTAINABILITY;
4	
5	(IV) REVIEW THE ANNUAL ACTUARIAL VALUATION OF THE PUBLIC
6	EMPLOYEES' RETIREMENT ASSOCIATION AND MAKE COMMENTS AS
7	NECESSARY TO THE ASSOCIATION REGARDING THE ACTUARIAL
8	VALUATION; AND
9	(V) Make recommendations to the board of trustees of
10	THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION REGARDING
11	ASSUMPTIONS, FUNDING POLICY, REPORTING PRACTICES, OR OTHER
12	OPERATIONAL POLICY.
13	(b) REVIEW SEMI-ANNUALLY THE OVERALL FINANCIAL HEALTH OF
14	THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION, INCLUDING THE
15	LEVELS OF BENEFITS, ITS SOURCES OF FUNDING, AND ITS OVERALL
16	FINANCIAL VIABILITY BASED ON BOTH THE ASSUMPTIONS OF THE
17	ASSOCIATION BOARD OF DIRECTORS AND THE REQUIREMENTS OF THE
18	GOVERNMENTAL ACCOUNTING STANDARDS BOARD. THE SUBCOMMITTEE
19	MAY REQUEST THAT THE ASSOCIATION PROVIDE GENERAL FINANCIAL
20	REPORTING BASED ON ASSUMPTIONS FOR ECONOMIC AND INVESTMENT
21	FACTORS, INCLUDING, BUT NOT LIMITED TO, INFLATION, ECONOMIC
22	GROWTH, EMPLOYMENT GROWTH, AND RATE OF RETURN, THAT DIFFER
23	FROM BOARD ASSUMPTIONS. IF THE SUBCOMMITTEE DETERMINES THAT
24	THE ASSOCIATION'S BOARD OF DIRECTORS IS USING ASSUMPTIONS THAT
25	ARE TOO CONSERVATIVE OR TOO AGGRESSIVE, THE SUBCOMMITTEE SHALL
26	REQUEST THAT THE ASSOCIATION ADJUST ITS ASSUMPTIONS ACCORDINGLY.
27	(c) REVIEW ANNUALLY THE CALCULATED NORMAL COSTS THAT

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1 WILL COVER CURRENT PENSION BENEFITS AND THE SHARE OF
2 CONTRIBUTIONS GOING TO COVER THE UNFUNDED LIABILITY OF THE
3 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

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(d) REVIEW SEMI-ANNUALLY THE PLANNED REDUCTION OF THE UNFUNDED LIABILITY OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION. IF FULL FUNDING WILL NOT BE ACHIEVED BY 2048, THE SUBCOMMITTEE SHALL MAKE ADDITIONAL RECOMMENDATIONS TO THE COMMISSION, THE JOINT BUDGET COMMITTEE, AND THE GENERAL ASSEMBLY TO ACHIEVE FULL FUNDING BY 2048. IF, UPON THAT REVIEW, THE SUBCOMMITTEE DETERMINES THAT THE ASSOCIATION DOES NOT HAVE AT LEAST A SIXTY-SEVEN PERCENT LIKELIHOOD OF ACHIEVING FULL FUNDING BY 2048, THEN THE ASSOCIATION SHALL PROVIDE RECOMMENDATIONS TO THE SUBCOMMITTEE FOR POLICY CHANGES THAT WOULD RETURN THE ASSOCIATION TO FULLY FUNDED STATUS BY 2048. NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE SUBCOMMITTEE SHALL ANNUALLY REPORT TO THE GENERAL ASSEMBLY REGARDING WHETHER OR NOT THE ASSOCIATION IS ON TRACK TO ACHIEVE FULL FUNDING BY 2048 AND IF NOT, THE CORRECTIVE ACTIONS RECOMMENDED BY THE SUBCOMMITTEE OR THE ASSOCIATION TO RECTIFY THE SHORTFALL.

(e) Annually report in writing to the citizens of Colorado regarding whether or not the public employees' retirement association is on track to achieve full funding by 2048 and if not, the corrective actions recommended by the subcommittee or the association to the general assembly to rectify the shortfall. Such communication shall be made in a manner that is clear, concise, and accessible to laypeople. This communication shall quantify the net present value of any

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1	FUNDING DEFICIT ON A PER CITIZEN BASIS. FOR EXAMPLE, FIFTY BILLION
2	DOLLARS ON FIVE MILLION FIVE HUNDRED THOUSAND PEOPLE EQUALS NINE
3	THOUSAND NINETY DOLLARS PER PERSON. THE CERTIFIED ANNUAL
4	FINANCIAL REPORT SHALL NOT SERVE AS THIS COMMUNICATION.
5	(f) AFTER FULL FUNDING IS ACHIEVED, MAKE RECOMMENDATIONS
6	TO THE COMMISSION, THE JOINT BUDGET COMMITTEE, AND THE GENERAL
7	ASSEMBLY DURING EACH LEGISLATIVE SESSION REGARDING CHANGES TO
8	THE PLAN TO MAINTAIN FULL FUNDING;
9	(g) Ensure the public employees' retirement association
10	BOARD IS ADMINISTERING THE ASSOCIATION AS MANDATED AND MAKE
11	RECOMMENDATIONS FOR THE ASSOCIATION BOARD STRUCTURE AS
12	WARRANTED; AND
13	(h) Every three years, commission an independent review
14	OF THE ECONOMIC AND INVESTMENT ASSUMPTIONS USED TO MODEL THE
15	PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION FINANCIAL SITUATION. THE
16	SUBCOMMITTEE SHALL USE EXPERTS OTHER THAN THOSE ALREADY
17	WORKING ON BEHALF OF THE ASSOCIATION.
18	(5) EACH MEMBER OF THE SUBCOMMITTEE SHALL BE REQUIRED TO:
19	(a) ATTEND AT LEAST ONE MEETING PER YEAR OF THE BOARD OF
20	TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;
21	(b) Attend the hearing of the legislative audit committee
22	WHEN THE COMMITTEE REVIEWS THE ANNUAL ACTUARIAL VALUATION
23	THAT THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IS REQUIRED TO
24	SUBMIT TO THE LEGISLATIVE AUDIT COMMITTEE PURSUANT TO SECTION
25	24-51-204 (7); AND
26	(c) Attend the "State Measurement for Accountable,
27	RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARING

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1	of the joint finance committee pursuant to part 2 of article 7 of
2	TITLE 2 WHEN THE JOINT FINANCE COMMITTEE REVIEWS THE PUBLIC
3	EMPLOYEES' RETIREMENT ASSOCIATION.
4	SECTION 28. In Colorado Revised Statutes, 31-30.5-302, amend
5	(1) as follows:
6	31-30.5-302. Definitions. As used in this part 3, unless the
7	context otherwise requires:
8	(1) "Commission" means the police officers' and firefighters'
9	pension reform REVIEW commission established pursuant to section
10	<del>31-31-1001</del> SECTION 24-51.1-101.
11	SECTION 29. Repeal of provisions being relocated in this act.
12	In Colorado Revised Statutes, repeal 31-31-1001.
13	<b>SECTION 30.</b> In Colorado Revised Statutes, <b>repeal</b> 31-31-1002.
14	<b>SECTION 31. Appropriation.</b> For the 2018-19 state fiscal year,
15	\$200,000 is appropriated to the legislative department for use by the
16	legislative council. This appropriation is from the general fund. To
17	implement this act, the legislative council may use this appropriation for
18	independent review of PERA assumptions pursuant to section
19	24-51.5-102 (3)(h), C.R.S.
20	SECTION 32. Safety clause. The general assembly hereby finds,
21	determines, and declares that this act is necessary for the immediate
22	preservation of the public peace, health, and safety.

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